

SENATE BILL NO. 122

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/28/01

Referred: Transportation , Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing financing for certain public transportation projects; giving notice**
2 **of and approving the entry into, and the issuance of revenue obligations that provide**
3 **participation in, lease-financing agreements for those transportation projects; and**
4 **providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 INTENT. It is the intent of the legislature that the state take full advantage of
9 innovative financing methods recognized by the Federal Highway Administration. The
10 legislature intends that the revenue obligations issued under this Act will be repaid from
11 appropriations of federal money derived from annual apportionments paid to the state by the
12 Federal Highway Administration.

13 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

1 TRANSPORTATION PROJECT ALLOCATIONS. The Department of
 2 Transportation and Public Facilities shall allocate the net proceeds derived from the sale of
 3 revenue obligations authorized in sec. 5 of this Act for construction or acquisition of the
 4 following state transportation projects among those projects as follows, subject to reallocation
 5 among the projects under AS 37.07.080(e):

6 PROJECT	ALLOCATION
7 (1) Fairbanks: Downtown Street Improvements	\$ 8,000,000
8 (2) Fairbanks: Illinois-Barnette and Bridge	18,700,000
9 (3) Kotzebue: Shore Avenue Rehabilitation and 10 Erosion Protection	11,450,000
11 (4) Nome: Bering, Seppala & Front Street Rehabilitation 12 and Front Street Safety and Enhancements	5,090,000
13 (5) Richardson Highway: MP352 to 361 Rehabilitation	11,100,000
14 (6) Richardson Highway: North Pole Area Interchange	16,100,000
15 (7) Fairbanks North Star Borough Area Roads and Trails	10,000,000
16 (8) South Cushman Street Improvements, Phase I	3,100,000
17 (9) Rural: Village Road Surfacing	15,000,000
18 (10) A/C Couplet, 6th Ave. to 40th Ave.	6,250,000
19 (11) Bragaw - Glenn Highway to Debarr	625,000
20 (12) Dimond Blvd., Jewel Lake Rd. to New Seward 21 Highway	6,500,000
22 (13) Lake Otis - Abbott to O'Malley & Debarr to Northern 23 Lights Blvd.	2,600,000
24 (14) Mt. View Drive - Commercial to Glenn Highway	500,000
25 (15) 9th Avenue - L Street to Ingra	800,000
26 (16) Northern Lights/Bensen Blvds., Forest Park Dr. to 27 Lake Otis Parkway (Couplet)	3,000,000
28 (17) Old Seward Hwy., Huffman Rd. to Potter Valley Road	2,000,000
29 (18) Spenard Road - McRea to Fireweed	1,500,000
30 (19) C Street Phase III, Dimond Blvd. to O'Malley Rd., 31 including interchange at O'Malley Rd. and a grade	

1	separation for the Alaska Railroad near 68th Ave.	
2	and C Street	28,750,000
3	(20) Glenn Highway, Gambell St. to McCarrey St.	
4	(six laning with interchanges at Airport Heights and	
5	Bragaw Street)	56,000,000
6	(21) Seward Highway at International Airport Rd. Grade	
7	Separated Crossing	15,000,000
8	(22) Seward Highway at 92nd Avenue Grade Separation	
9	and connection to Old Seward Highway and	
10	Abbott Road	12,500,000
11	(23) Seward Highway reconstruction of frontage roads	
12	including an extension of West Frontage Road -	
13	Dimond to O'Malley	9,000,000
14	(24) Bethel: Akakeek Street Improvements	880,000
15	(25) Bethel: Chief Eddie Hoffman Highway/Anton Anvil	
16	Separated Pathway	6,000,000
17	(26) Bethel: H-Marker Road Improvements	480,000
18	(27) Bethel: Ptarmigan Street Improvements	1,480,000
19	(28) North Kenai Spur Road MP 22-29.7 Repave	10,612,000
20	(29) Soldotna: East Redoubt Ave. Rehabilitation	5,073,000
21	(30) Glenn Highway MP 34 to 42 Reconst. - Parks to	
22	Old Glenn Hwy. (Palmer)	1,500,000
23	(31) Glenn Highway State Fairgrounds Access Improvements	500,000
24	(32) Parks Highway Corridor Alternative (Wasilla Area)	1,700,000
25	(33) Mat-Su: Bogard Road Extension East	6,530,000
26	(34) Mat-Su: Seward Meridian Rd., Parks to Seldon	7,525,000
27	(35) Mat-Su: Trunk Road Reconstruction	9,150,000
28	(36) Palmer: East Eagle Avenue and Gulkana Street Upgrade	1,200,000
29	(37) Wasilla Local Gravel-to-Asphalt Program	1,000,000
30	(38) Mat-Su: Bogard Road Wasilla High/Middle School	
31	Pedestrian Crossing	1,430,000

1	(39) Old Glenn Highway MP 0-18.6 Rehabilitation	13,225,000
2	(40) Palmer Wasilla Highway Expansion	17,850,000
3	(41) Petersville Road MP 3-14	5,400,000
4	(42) Dillingham Aleknagik Lake Road, MP 8-23 Paving	9,900,000
5	(43) Barrow Surface Treatments	10,000,000
6	(44) Two Fast Ferries	70,000,000

7 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The
10 Department of Transportation and Public Facilities is delegated the Department of
11 Administration's authority under AS 36.30.085 to enter into lease-financing agreements in
12 connection with the issuance of revenue obligations to finance the state transportation projects
13 described in sec. 2 of this Act.

14 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-
17 financing agreements executed under sec. 3 of this Act are subject to annual appropriation by
18 the legislature.

19 (b) The legislature intends that federal money in the form of apportionments from the
20 Federal Highway Administration for federal highway grants will provide enough revenue to
21 the general fund to make substantially all of the lease payments; however, if that revenue
22 source is insufficient, the payments may be made from any other valid revenue source, subject
23 to appropriation.

24 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
25 read:

26 NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE
27 OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and
28 Public Facilities is authorized to enter into lease-financing agreements for the issuance of
29 revenue obligations for the state transportation projects described in sec. 2 of this Act.

30 (b) The state bond committee is authorized to provide for the issuance of revenue
31 obligations in one or more series in the aggregate principal amount of \$442,900,000 for the

1 costs of construction of the projects described in sec. 2 of this Act. The principal amount
 2 includes the estimated cost of \$425,000,000 for constructing, acquiring, and equipping the
 3 projects described in sec. 2 of this Act; capitalized interest payments in the total amount of
 4 \$12,387,000; and an amount for the cost of issuing the revenue obligations of \$5,513,000.
 5 The estimated annual amount of rental obligations under the lease-financing agreements is
 6 \$42,400,000. The estimated total lease payments for the full term of the lease-financing
 7 agreements is \$700,586,000.

8 (c) The state bond committee may contract for credit enhancement, underwriting,
 9 credit ratings, bond counsel, financial advisor, printing, and trustee services that the
 10 committee considers necessary in financing the projects described in sec. 2 of this Act.

11 (d) In this section,

12 (1) "costs of construction" includes credit enhancement and underwriting
 13 expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees, trustee
 14 fees, capitalized interest, and interest earnings used for lease payments; and

15 (2) "revenue obligation" means a certificate of participation in the right to
 16 receive a payment under a lease-financing agreement made to finance the costs of
 17 construction or acquisition of a state transportation project.

18 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
 19 read:

20 NOTICE AND APPROVAL OF AGREEMENTS. Section 5 of this Act constitutes
 21 the notice and approval of lease-financing agreements to finance the transportation projects
 22 described in sec. 2 this Act that is required by AS 36.30.085.

23 * **Sec. 7.** This Act takes effect July 1, 2001.